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Dental office discounts and deals: Are they really profitable?

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A COMMON PROMOTIONAL STRATEGY IN DENTISTRY IS OFFERING FREE OR REDUCED-RATE SERVICES. Holiday sales, coupons, monthly specials, and similar ideas can keep new patients coming through the door. Unfortunately, these tactics are not as effective as you might believe.

Promotions cost more than you think

You probably carefully track the [return on investment \(ROI\)](#) of most of your marketing activities. However, incentive programs might not seem like an investment. Unless you're offering a free service or extremely deep discount, you are likely only making a small profit or breaking even. However, to only calculate expenses is a mistake.

Imagine a patient planning to have his [teeth whitened](#) next month. He sees that you're offering 25% off this week, so he schedules his appointment now. Meanwhile, a longtime patient recommends you to a coworker who has a toothache. The coworker has never been to your office, so she receives a new patient discount.

Both people in these examples would have scheduled appointments whether they received discounts or not. In these situations, you lost revenue because of the discounts.

Calculating ROI

How can you accurately calculate your ROI on discount promotions? The first step is to keep detailed records that allow you to track each offer. The value of discounts given is your investment. However, determining the return can be more challenging. Here are some tips:

- Compare your patient flow before and during a campaign. Did the number of new patients or the overall number of appointments increase?
- If you want to know whether a special price was the deciding factor when a patient scheduled, just ask. Try including this on your patient feedback form.
- Compare the results of various promotional campaigns. Do deeper discounts generate significantly more leads? Which types of promotions perform the best?
- Check your patient referrals. If the number is low, it might be time to start or amp up an incentive program. A common mistake is failing to inform patients about incentives. An effective way to spread the word and increase patient participation is with referral cards.
- Use tracking codes or phone numbers to determine the sources of leads.
- Analyze the performance of in-house dental plans, whitening for life, and other ongoing enrollment programs. Do patients who are enrolled schedule more appointments than those who are not? Are they scheduling additional treatments beyond the services provided in the plan?



Choosing the right promotions for your practice

Branding is an important yet frequently overlooked aspect of any marketing activity. What will people think when they see your advertised promotions? How will that shape their perception of your practice? Promotions should reflect your marketing message and help build your reputation.

Some dental practices forego price reductions altogether. This can work well, especially for high-end practices that are targeting a demographic with substantial disposable income. In that situation, a reputation as a discount dentist would not be beneficial. However, patient incentives can be tailored to any practice and any target market.

What types of discounts would be a good fit for your practice?

- **In-house plans for uninsured patients**—Cost is the [number one factor](#) that prevents uninsured people from visiting a dentist. Financing and discount plans can be effective for attracting new patients and generating revenue without the hassles of insurance. However, these programs attract people seeking basic dental care. If you prefer to focus on premium elective procedures, these might not attract your ideal clientele.
- **Referral programs**—This works well for virtually any practice. No matter how much you market your practice, word of mouth is still the best advertisement. Even if the discount is small, a referral program gives you the opportunity to ask patients to recommend you. It also lets them know that their goodwill is appreciated.
- **New patient discount**—This is another nearly universally effective promotion, but it can be costly. Some practices offer free or deeply discounted first appointments. Unless a high percentage of these people become long-term patients, the ROI can be low.
- **Free consultation**—Similar to general new patient discounts, this plan can be expensive if the conversion rate is low. You are not giving away treatment, but time is your most valuable resource. Free consultations tend to be most lucrative when restricted to specific, high-end elective treatments such as orthodontics or full smile makeovers.
- **Limited time offers**—This is the most flexible promotional strategy. You can vary the discount level and services targeted with each new offer, but it is wise to develop a plan in advance. If you frequently advertise the same procedures, people will associate them with your practice. This can be beneficial for building your reputation. It can also be detrimental if you're advertising procedures that don't reflect your brand. For example, if people regularly see teeth whitening coupons from your practice, they will likely assume you're a cosmetic dentist. If you want to grow your cosmetic practice, that's fantastic. However, if you're a family dentist who also happens to offer whitening you could be missing your target market.

Implementation

Once you've chosen what discounts to offer, the final step is putting them to work for you. Notify your marketing service or in-house team well in advance so that they can prepare to get the word out.

Inform your team and make sure each person understands the details of the promotion. When people call for more information, they'll quickly lose interest if they're given conflicting or no information. A knowledgeable staff with excellent customer service skills is the key to converting leads into appointments.

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